Promotion of Self Help Groups by Banks

1302. DR. DASARI NARAYANA RAO: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that Self Help Groups (SHGs) concept under SGSY financed by public sector banks has become a success in southern parts of the country but is yet to take off in other parts of the country;

(b) if so, the details thereof and the reasons therefor;

(c) whether Government/Reserve Bank of India and banks have made a study of the status of SHGs in various parts of the country;

(d) if so, the findings thereof; and

(e) what steps have been taken by each public sector bank to popularise SHGs under SGSY throughout the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) As reported by Reserve Bank of India (RBI) and National Bank for Agriculture and Rural Development (NABARD), the concept of extending credit support to Self-Help Groups (SHGs) under Swarnajayanti Gram Swarojgar Yojana (SGSY) was implemented from the year 1999-2000 through all the participating banks. The performance under SGSY through SHGs in southern States has been encouraging. The details of SHGs formed; under SGSY since 1st April, 1999 in southern States and other major States are indicated below:

State	No. of SHGs formed from 1.4.1999 to 30.11.2002	Percentage of SHGs formed to total
Andhra Pradesh	2,85,270	25
Karnataka	21,705	2
Kerala	36,165	3
Tamil Nadu	73,398	7
Uttar Pradesh	1,45,651	13
Madhya Pradesh	1,51,855	13
Maharashtra	45,955	4
West Bengal	49,933	4
Bihar	33,265	3
Other States	3,02,152	26
TOTAL:	11,45,349	100

The reasons for better performance of Southern States could be attributed to presence of good Non-Government Organisations (NGOs) who are actively involved in promoting SHGs, active participation of banks in SHG-Bank Linkage programme of NABARD, the major role played by Government institutions in these States in promoting SHGs, etc.

(c) to (e) RBI and NABARD have been conducting studies relating to the status of SHGs from time to time. A study conducted by NABARD, covering 560 SHG member households revealed perceptible and wholesome changes in the living standards of the members in terms of ownership of assets, increase in savings and borrowing capacity, income generating activities and income levels. Some of the other major findings were improvement in the overall loan repayment, development in savings habit, increase in employment per household, need for improving backward and forward linkages, coordination among the Government agencies, etc. RBI has also advised public sector banks to popularize the participation of SHGs under SGSY throughout the country.

Introduction of interest-based derivatives in market

1303. SHRI GHULAM NABI AZAD: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government propose to introduce interest-based derivatives in the market;

(b) if so, whether the modalities for trading in interest-based securities have been finalised; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) The Securities and Exchange Board of India (SEBI) has intimated that one of the recommendations of the Prof. J.R. Varma Committee on the development and regulation of derivatives markets in India was that the RBI and SEBI should work towards introducing interest-based derivatives trading on stock exchanges. RBI has informed that RBI constituted a Working Group on Rupee Derivatives, which also covered the issues